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OPENING REMARKS

For the Public Hearing on

* * * * *

PROPOSED PART 70 AIR OPERATING and PREVENTING OF
SIGNIFICANT DETERIORATION PERMIT MODIFICATIONS

&

ASSOCIATED ENVIRONMENTAL ASSESSMENT STATEMENT

FOR

CHALMETTE REFINING, LLC
CHALMETTE REFINERY
CHALMETTE, ST. BERNARD PARISH, LOUISIANA

Agency Interest No. 1376

* * * * *

The Louisiana Department of Environmental
Quality held a Public Hearing and was reported at the
big tent of the St. Bernard Parish Council, 8201 West
Judge Perez Drive, Chalmette, Louisiana, on Thursday,
September 27, 2007, commencing at 6:03 p.m.

Reported by:
Jan Berard,
Certified Court Reporter

1	APPEARANCES:	
2		
3	Roger Ward, Esq.,	
4	Hearing Officer.	4
5	Presentation by:	
6	Ms. Charlene Walk	13
7	Comments by:	
8	Ms. Suzanne Kneale.	21
9	Mr. Kenneth Ford.	23
10	Audience Members	
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1 MR. ROGER WARD:

2 Good evening. Let the Record
3 reflect that the time is 6:03 p.m.
4 My name is Roger Ward, and I'm an
5 attorney. I am employed with the
6 Louisiana Department of Environmental
7 Quality. I will be serving as the
8 Hearing Officer this evening,
9 Thursday, September 27, 2007.

10 This hearing is scheduled to
11 accept public comments concerning the
12 proposed Part 70 Air Operating and
13 Prevention of Significant
14 Deterioration (PSD) permit
15 modifications and the associated
16 Environmental Assessment Statement
17 (EAS) for Chalmette Refining, LLC,
18 Chalmette Refinery, Chalmette, St.
19 Bernard Parish, Louisiana, Agency
20 Interest Number 1376, Part 70 air
21 operating Permit Number 3022-V1 and
22 Activity Tracking Number PER20070008
23 and the PSD Permit No. PSD-LA-199(M-
24 6), Activity Tracking Number
25 PER20070009 and the associated

1 environmental assessment statement
2 (EAS). The site is located at 500
3 West St. Bernard Highway, on the left
4 descending bank of the Mississippi
5 River at Mile 89 above Head-of-Passes
6 at Chalmette, St. Bernard Parish.
7 Chalmette Refining, LLC, is a
8 joint venture between ExxonMobil
9 Corporation and Petroleus de
10 Venezuela, the Venezuelan National
11 Oil Company. Chalmette Refinery is
12 an integrated crude operation (high
13 conversion) which includes crude
14 distillation, catalytic reforming,
15 fluid catalytic cracking,
16 hydrocracking, hydrogen fluoride
17 alkylation, delayed coking and
18 aromatics processing units. The
19 refinery is capable of producing
20 gasoline, diesel,
21 benzene/toluene/xylene (BTX),
22 distillates and elemental sulfur
23 (sulfur recovery); as well as by-
24 products such as petroleum coke and
25 liquefied petroleum gases (LPG).

1 Chalmette Refining, LLC proposes
2 to undertake Thermal Nitrogen Oxide
3 Project as per the requirements of
4 U.S. EPA Consent Decree, an NSR
5 Global Settlement, Civil Action
6 Number 05-4662 B(i) between U.S. EPA
7 and State of Louisiana versus
8 Chalmette Refining, LLC, filed on
9 April 26, 2006, to reduce Nitrogen
10 Oxide emissions from the FCC Unit.
11 The project will substantially
12 decrease Nitrogen Oxides emissions,
13 but there will be an increase in the
14 Carbon Monoxide emissions (collateral
15 increase) greater than the PSD
16 significance level of 100 tons per
17 year, therefore netting is required.

18 The Environmental Assessment
19 Statement submitted by the applicant
20 addresses avoidance of potential and
21 real environmental effects, balancing
22 of social and economic benefits
23 against environmental impact costs,
24 and alternative sites, projects, and
25 mitigative measures.

1 This permit was processed as an
2 expedited permit in accordance with
3 Louisiana Administrative Code 33:1
4 Chapter 18.

5 This Hearing is not being
6 conducted in a question-and-answer
7 format. Please remember that the
8 purpose of this Public Hearing is for
9 DEQ to receive your comments
10 concerning the proposed Part 70 air
11 operating and PSD permit
12 modifications and the associated
13 Environmental Assessment Statement.

14 This Hearing is to provide all
15 individuals a chance to be heard
16 regardless of their position on the
17 proposed Part 70 air operating and
18 PSD permit modifications and the
19 associated Environmental Assessment
20 Statement.

21 Courteous behavior is expected of
22 everyone at all times. You may speak
23 in support of the permitting actions;
24 in opposition to the permitting
25 actions; or simply to provide

1 additional information. All
2 interested parties will be given a
3 reasonable opportunity to comment,
4 unless testimony is not related to
5 the purpose of the hearing. All
6 comments heard during this hearing
7 and all written comments received
8 during the comment period will be
9 evaluated and addressed in the
10 Department's written response.

11 A public notice advertising this
12 Public Hearing and request for public
13 comment on the proposed Part 70 air
14 operating and PSD permit
15 modifications and the associated
16 Environmental Assessment Statement
17 was published in The St. Bernard
18 Voice, Arabi, Louisiana and The
19 Advocate, Baton Rouge, Louisiana, and
20 the Times-Picayune on August 24,
21 2007.

22 A copy of the proposed Part 70
23 air permit operating and PSD permit
24 modifications and the associated
25 Environmental Assessment Statement

1 are available for inspection and
2 review at the Louisiana Department of
3 Environmental Quality, Public Records
4 Center, Room 127, 602 North 5th
5 Street, Baton Rouge, Louisiana.
6 Viewing hours are 8:00 a.m. to 4:30
7 p.m., Monday through Friday, except
8 holidays. The available information
9 can also be accessed electronically
10 on the Electronic Document Management
11 System (EDMS), on the DEQ public
12 website at www.deq.louisiana.gov. An
13 additional copy is also available for
14 review at the New Orleans Public
15 Library, Headquarters, 219 Loyola
16 Avenue, New Orleans, Louisiana. The
17 libraries in St. Bernard Parish are
18 closed due to hurricane damage. In
19 addition, copies of the public notice
20 were mailed to individuals who have
21 requested to be placed on the mailing
22 list maintained by the Office of
23 Environmental Services on August 21,
24 2007.

25 In accordance with Louisiana

1 Administrative Code, Title 33, Part
2 III, Sections 531.A.3.C and 509.Q,
3 comments received by 12:30 p.m.,
4 Monday, October 1, 2007, will be
5 considered prior to a final decision.
6 All comments received by 12:30 p.m.
7 October 1, 2007, shall be retained by
8 the Department and considered in
9 determining whether to issue or deny
10 the proposed Part 70 air operating
11 and PSD permit modifications and the
12 associated environmental Assessment
13 Statement.

14 Written comments on this proposed
15 Part 70 air operating permit
16 modifications and the associated
17 Environmental Assessment Statement
18 may be submitted to Ms. Soumaya
19 Ghosn, LDEQ-OES, Environmental
20 Assistance Division, P.O. Box 4313,
21 Baton Rouge, Louisiana 70821.

22 Under Louisiana Revised Statutes
23 30:2017, as revised by the
24 Legislature in the 2004 session, the
25 Department is required to follow the

1 following order with the provision
2 that the presiding officer may give
3 preference to a public official to
4 speak at any time during the hearing.
5 However, any time limit set for
6 citizen testimony shall apply to
7 public officials.

8 The Department must provide up to
9 30 minutes to the permit applicant
10 for an introductory presentation.
11 Thereafter, preference for speaking
12 up to one hour is given as follows:

13 For the first hour, to those
14 citizens who live within a two-mile
15 radius of the location of the
16 facility;

17 For the second hour, to those
18 citizens who work within a two-mile
19 radius of the location of the
20 facility;

21 And for the third hours, to those
22 citizens who live within the parish
23 of the location of the facility.

24 Thereafter each hour of the
25 hearing shall alternate between those

1 who are in support of the proposed
2 Part 70 air operating permit
3 modifications and the associated EAS
4 and those who are opposed the
5 permits.

6 The order of tonight's hearing
7 will be based on the information
8 provided by the speaker on the
9 registration form. Anyone who
10 registered to speak but did not
11 provide the necessary information
12 will be given the opportunity to
13 speak; however, they will be called
14 last in the order of registration.

15 This Hearing is begin
16 transcribed; therefore, I will ask
17 that each speaker begin by stating
18 for the Record their name, address,
19 and any organization he or she may
20 represent. I would like to remind
21 you to please turn off your cell
22 phones. Thank you.

23 At this time, I would like to ask
24 the permit applicant's representative
25 to come forward and make their

1 introductory presentation. Thank
2 you.

3 MS. CHARLENE WALK:

4 Thank you, Mr. Hearing Officer.
5 We appreciate the opportunity to
6 comment on the matter before you
7 tonight.

8 My name is Charlene Walk. I am
9 the Title V Coordinator at the
10 Chalmette Refining. We're located at
11 500 West Saint Bernard Highway,
12 Chalmette, Saint Bernard Parish,
13 Louisiana. I am glad to be here with
14 you this evening to make a short
15 statement for the Record. We're
16 describing the pending revised air
17 permit application for the Fluidized
18 Catalytic Cracking Unit and
19 Alkylation Unit (FCC-ALKY) Title V
20 permit that was previously approved
21 on January 30, 2007. This Hearing
22 will cover the revisions to the Title
23 V permit that include the following:
24 Incorporation of the Thermal De-
25 NOX project, which I will describe

1 later, and associated components and
2 emission changes; Incorporation of
3 Continuous Emission Monitoring
4 analyzers (CEMs) on the FCC
5 Regenerator Vent to measure the
6 amount of NOX, SO2, PM and CO being
7 released into the atmosphere; and
8 Incorporation of several changes to
9 reduce fugitive and catalyst
10 emissions and adjust chemical tank
11 usage.

12 First, I would like to provide a
13 little background on the Title V
14 process and tell you what Chalmette
15 Refining is doing to comply with
16 these requirements. Title V of the
17 Federal Clean Air Act required the
18 EPA to consolidate regulatory actions
19 at facilities to standardize the
20 permitting process and combine
21 emission limits, controls,
22 monitoring, recordkeeping and
23 reporting into one document to serve
24 as a single point reference for
25 regulators and the public. The Title

1 V permitting program is the process
2 by which this is done. In Louisiana,
3 the Title V permitting program is
4 administered by the Louisiana
5 Department of Environmental Quality.

6 Chalmette Refining has applied
7 for and received Title V permits for
8 the entire refinery as of January of
9 this year. There are 11 Title V
10 permits, one for each of the 11
11 separate areas that the refinery has
12 been divided into for permitting
13 purposes.

14 The Thermal de-NOX project
15 describes the introductory section of
16 the application under review today,
17 and it has its primary purposes to
18 reduce nitrogen oxide emissions from
19 the FCC Regenerator Vent to levels
20 required by the Consent Decree
21 between Chalmette Refining and the
22 United States and Louisiana. These
23 reductions were requested by the
24 United States Environmental
25 Protection Agency and the Louisiana

1 Department of Environmental Quality
2 and agreed to by Chal mette Refi ni ng,
3 L. L. C. and approved by the United
4 States Di strict Court. Installation
5 of the Thermal De-NOX will not
6 signi fi cantly change the operation of
7 the FCC.

8 Thermal De-NOX is an ExxonMobi l
9 Research and Engi neeri ng Company' s
10 patented process for reduction of
11 ni trogen oxides. Thi s process has
12 been i nstalled in nearly 100
13 di fferent types of combusti on uni ts
14 around the world i ncludi ng the FCC
15 uni ts at several refi neri es in the
16 United States. The process is a
17 selecti ve non-catal yti c reduction
18 process that has been custom desi gned
19 to meet the Chal mette Refi nery FCC
20 uni t' s NOX reduction requirements.

21 The process utili zes the i njecti on
22 of aqueous ammoni a and hydrogen wi th
23 carrier steam i nto the FCC
24 Regenerati on flue gas at appropri ate
25 l ocati ons. The ammoni a and hydrogen

1 reactions at the flue gas temperature
2 will effectively reduce the nitrogen
3 oxides to form nitrogen and water
4 vapor. The NOX reduction works best
5 with ammonia at high temperatures
6 (2100 degrees to 1600 F). This
7 reaction, also, is efficient at lower
8 temperatures (1600-1300 F) with the
9 addition of hydrogen to supplement
10 the reaction conversion.

11 The NOX reduction efficiency also
12 depends on other process variables,
13 such as flue gas temperature,
14 uniformity of the temperature,
15 available residence time, flue gas
16 composition and initial nitrogen
17 oxide concentration.

18 The Chalmette Refinery FCC unit
19 is a full-burn type processing unit
20 that requires oxygen for combustion.
21 The Thermal De-NOX process inhibits
22 the full conversion of carbon
23 monoxide (CO). Therefore, in
24 achieving the NOX reduction, this
25 process will result in increased CO

1 emissions. In addition, a very small
2 amount (several parts per million) of
3 excess ammonia is expected to pass
4 through the Wet Gas Scrubber and be
5 released in the vent. This is a by-
6 product of the NOX reduction process.

7 As part of the proposed project,
8 new equipment will be installed and
9 existing equipment will be modified
10 and/or affected. New equipment
11 includes the installation of an
12 aqueous ammonia storage tank, rail
13 tank car and truck unloading
14 facilities and associated pumps,
15 piping and instrumentation. Piping
16 will be installed from the tank to
17 the FCC Regenerator. Mixing
18 manifolds will be installed in the
19 piping to evaporate the ammonia using
20 steam and combine it with hydrogen
21 for injection at various locations in
22 the Regenerator flue gas system.

23 In order to improve the overall
24 operating efficiency, a small vessel
25 will be installed to automatically

1 Load CO Promoter and other materials
2 to the catalyst system. In addition,
3 several process analyzers, control
4 valves, and associated piping, piping
5 components and instrumentation will
6 be installed. There will be no
7 significant change in the operation
8 of the FCC unit as a result of this
9 project other than those intended to
10 lower NOX emissions.

11 The initial installation of the
12 Thermal De-NOX project is anticipated
13 to begin as soon as permits are
14 issued.

15 Emission changes associated with
16 this project are accounted for in the
17 project PSD analysis included in
18 Appendix A of the application. This
19 analysis confirms that the expected
20 emission increases associated with
21 the project will be below PSD review
22 trigger thresholds except for CO.
23 The application further demonstrates
24 that Chalmette Refining will utilize
25 Best Available Control Technology for

1 control of CO emissions.

2 Chalmette Refining is committed
3 to improving the performance of the
4 refinery and is investing in
5 environmental projects to reduce
6 emissions and improve operational
7 performance. As part of this,
8 Chalmette Refining has completed the
9 installation and initial operation of
10 three local air monitoring sites and
11 transferred these sites to the
12 Louisiana Department of Environmental
13 Quality. In addition, Chalmette
14 Refining provides a number of
15 benefits to the local community
16 through direct contributions to local
17 organizations, and ongoing outreach
18 programs. Thank you very much for
19 your attention.

20 MR. ROGER WARD:

21 Thank you, Ms. Walk. I will now
22 begin by allowing all persons who
23 have signed up to speak 10 minutes,
24 in which, to present their comments.
25 I only have two people who have

1 signed up, so if you want to sign up,
2 please do so in the back. The first
3 person -- Both people I have live
4 within the two-mile radius of the
5 location of the facility. And the
6 first person to sign in was Suzanne
7 Kneale, K-n-e-a-l-e).

8 MS. SUZANNE KNEALE:

9 My name is Suzanne Kneale. My
10 address is 2114 Corinne Drive in
11 Chalmette. And I'm here as an
12 individual, and I'm also here to
13 represent a neighborhood association
14 called "CCAM," Concerned Citizens
15 Around Murphy. The members of our
16 neighborhood association support the
17 interest of St. Bernard Citizens
18 Environmental Quality, which are
19 addressed at this hearing.

20 As a community, we are all
21 supportive of any efforts by our
22 industrial neighbor Chalmette
23 Refining LLC to modify their
24 processes and facilities to help
25 reduce releases of toxic pollution

1 into our environment and to minimize
2 people's exposure to them. This is a
3 very important step towards our
4 community's action for a renewed
5 environment.

6 We would like to comment on the
7 EAS and how glosses over the total
8 impact on our neighborhoods.
9 Although, Chalmette Refinery has
10 already admitted over 2,000
11 violations, the EAS states
12 uncontrolled chemical releases to the
13 air are avoided to the maximum extent
14 possible. Yet, the neighborhood is
15 still subjected to Carbon Monoxide
16 emissions in excess. We would like
17 to submit written questions and
18 comments on the EAS to receive
19 further explanations. Thank you. I
20 would like to submit this to the
21 public record.

22 MR. ROGER WARD:

23 Thank you, Ms. Kneale. Ms.
24 Kneale has given me written comments
25 that I'm marking as Exhibit A, which

1 will be attached to the Record of
2 this Hearing. The only remaining
3 speaker I have is Mr. Kenneth Ford.

4 MR. KENNETH FORD:

5 My name is Kenneth Ford, and I
6 live at Number 12, Carroll Drive in
7 Chalmette, Louisiana. At this time,
8 St. Bernard residents are impacted
9 with high level of sulphur dioxide
10 for whom DEQ cannot identify.

11 The increased 27 point 20 tons
12 per year that Chalmette Refinery
13 would have, plus the present sulphur
14 dioxide releases emissions registered
15 on the stationary default (phonetic)
16 of environmental quality monitoring
17 on the East Chalmette circle, who
18 have never had a health problem with
19 the community, especially the
20 children.

21 We, St. Bernard citizens, of
22 environmental quality asked DEQ to
23 (inaudible) permit requests, until
24 the source of the high level of
25 sulphur dioxide is identified at the

1 East Chalmette circle monitors at
2 this stop.

3 The total amount of combined
4 emissions of sulphur dioxide from
5 industries, Chalmette refinery and
6 the 5 permits, Murphy Refineries,
7 CII, and other industries in St.
8 Bernard Parish should be considered
9 by DEQ. We ask DEQ to supply us with
10 the annual addition to all the
11 individuals in St. Bernard Parish and
12 reconsider it, that it will be
13 affected by this increase. And that
14 the permit level may not be exceeded,
15 but again the potential health
16 conditions should be considered in
17 issuing the permit when you consider
18 the children of St. Bernard Parish
19 and the total amount of sulphur
20 dioxide. I think I had, at one time,
21 figured out the numbers, it's
22 unbelievable. (Inaudible) of
23 Chalmette Refinery, and the other
24 industries, CII, and (inaudible), I
25 think DEQ would and should reconsider

1 this permit. Thank you. And I'll
2 also submit another report for the
3 record.

4 MR. ROGER WARD:

5 Thank you, Mr. Ford. Let the
6 Record reflect that Mr. Ford has
7 handed me certain documents that I
8 will accept as Exhibit B, which will
9 be attached to be made part of the
10 Record to this Hearing. Is there
11 anybody who would like to speak?
12 It's our policy that we keep the
13 Hearing open until 7. So if there's
14 nobody else who would like to speak,
15 we will recess the hearing. But we
16 will remain open, in case you change
17 your mind. Thank you.

18 (At 6:30 p.m., there was a recess. The
19 hearing reopened at 7:00 p.m.)

20 MR. ROGER WARD:

21 Okay, we're going to close this
22 up. During the recess, I received
23 from Ms. Walk a copy of her
24 presentation that I've accepted and
25 marked as Exhibit C, which will be

1 made part of the Record of this
2 Hearing. Are there any other
3 comments? Would anybody like to
4 speak? I would like to remind you
5 that the comment period for this
6 proposed Part 70 air operating and
7 PSD permit modifications and the
8 associated Environmental Assessment
9 Statement for Chalmette Refining,
10 LLC, Chalmette Refinery, ends at
11 12:30 p.m., Monday, October 1, 2007.
12 I have received a total of three
13 exhibits during this hearing. If
14 there are no other comments, I would
15 like to thank you for your attention
16 and participation in this Hearing.
17 Let the Record reflect that the time
18 is 7:00 p.m. This hearing is closed.
19 Thank you.
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R E P O R T E R ' S P A G E

I, Jan Berard, Certified Court Reporter, in and for the State of Louisiana, the officer, as defined in Rule 28 of the Federal Rules of Civil Procedure and/or Article 1434 (b) of the Louisiana Code of Civil Procedure, before whom this sworn testimony was taken, do hereby state on the Record:

That due to the interaction in the spontaneous discourse of this proceeding, dashes (--) have been used to indicate pauses, changes in thought, and/or talkovers; that same is the proper method for a Court Reporter's transcription of proceeding, and that the dashes (--) do not indicate that words or phrases have been left out of this transcript;

That any words and/or names which could not be verified through reference material have been denoted with the phrase "(phonetic)."

Jan Berard, CCR

Court	1	Certi f i ed	
	2	Reporter	Loui si ana Li cense #24012
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C E R T I F I C A T E

I, Jan Berard, Certified Court Reporter, do hereby
certify that the above and foregoing is a true and
correct transcription of the voice-writing method of
the proceedings herein, reported by me at the time and
place hereinabove stated and thereafter transcribed
under my supervision to the best of my ability and
understanding.

Jan Berard, CCR
Certified Court Reporter
Louisiana License #24012

deq27